

COMPANY ANNOUNCEMENT

For Immediate Release

NOTICE (THE “NOTICE”) TO THE HOLDERS OF

Lagoon Finance DAC (formerly known as Lagoon Finance Limited) (the “Issuer”)

Series 1 GBP 310,000,000 Floating Rate Secured Notes due 2017 (formerly known as Series 1 GBP 310,000,000 Floating Rate Credit Linked Leveraged Super Senior Secured Notes due 2017) (ISIN: XS0333865839) (the “Notes”)

IMPORTANT NOTE TO THE NOTEHOLDERS

Capitalised terms used in this Notice and not otherwise defined shall have the meanings given to them in the amended and restated issue deed dated 1 November 2016 (the “**Amended and Restated Issue Deed**”).

The Board of Directors of the Issuer wish to announce that:

- (i) notice is hereby given that an Amended and Restated Issue Deed in the form set out in the Appendix hereto has been entered into in respect of the Notes; and
- (ii) the title of the Notes has been amended to “Series 1 GBP 310,000,000 Floating Rate Secured Notes due 2017”.

2 November 2016.

This notice is given by **Lagoon Finance DAC**

For further information or enquiries, contact:

Deutsche International Corporate Services (Ireland) Limited
Attn: The Board of Directors
Telephone: +353 1 680 6000
Email: corporate.services@db.com

APPENDIX
AMENDED AND RESTATED ISSUE DEED

1 November 2016

LAGOON FINANCE DAC

and

DEUTSCHE TRUSTEE COMPANY LIMITED

and

DEUTSCHE BANK AG, ACTING THROUGH ITS LONDON BRANCH

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH

and

**DEUTSCHE INTERNATIONAL CORPORATE SERVICES (IRELAND)
LIMITED**

AMENDED AND RESTATED ISSUE DEED

constituting
Lagoon Finance DAC
Series 1
GBP 310,000,000
Floating Rate Secured Notes due 2017
issued pursuant to its
USD 10,000,000,000
Secured Note Programme

arranged by
DEUTSCHE BANK AG, LONDON BRANCH

Linklaters
Ref: PL/MSOL/JLGT
Linklaters LLP

This Amended and Restated Issue Deed is made on 1 November 2016 **between:**

- (1) **LAGOON FINANCE DAC** (the “**Issuer**”);
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED** (the “**Trustee**”);
- (3) **DEUTSCHE BANK AG**, acting through its London branch (“**Deutsche Bank AG, London Branch**”), as swap counterparty (in such capacity, the “**Swap Counterparty**”), as purchaser (in such capacity, the “**Purchaser**”) and as calculation agent, (in such capacity, the “**Calculation Agent**”);
- (4) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, whose registered office is at One Canada Square, London, E14 5AL as custodian (in such capacity, the “**Custodian**”), as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”) and as deposit bank (in such capacity, the “**Deposit Bank**” and, together with the Custodian and the Issuing and Paying Agent, “**BNY Mellon**”); and
- (5) **DEUTSCHE INTERNATIONAL CORPORATE SERVICES (IRELAND) LIMITED**, as paying agent (the “**Paying Agent**” and, together with the Issuing and Paying Agent, the “**Paying Agents**”).

Whereas:

- A. This Amended and Restated Issue Deed amends and restates the Issue Deed between, amongst others, the Issuer, the Trustee and Deutsche Bank AG, London Branch, dated 30 November 2007, as amended and restated on 23 November 2010 and 25 January 2011, each pursuant to an amended and restated issue deed dated the date of the respective amendments between, amongst others, the Issuer, the Trustee and Deutsche Bank AG, London Branch, and as further amended on 26 August 2014 pursuant to a supplemental issue deed dated the same date, and on 16 December 2015 pursuant to an amendment deed dated the same date, each between, amongst others, the parties hereto (the “**Original Issue Deed**”), and is entered into for the purposes of (a) constituting and/or securing the Notes and (b) setting out the terms of the agreements made between the Issuer and each of the other parties hereto in relation to the Notes.
- B. Pursuant to an Extraordinary Resolution of holders of 100 per cent. of the outstanding principal amount of the Notes dated the date hereof, the Noteholders have authorised and directed (i) the Trustee to enter into this Amended and Restated Issue Deed, (ii) the Issuer and the Swap Counterparty to enter into this Amended and Restated Issue Deed, the Amended and Restated Total Return Swap Confirmation, the Amended and Restated Credit Support Annex and the letter agreement, each dated the date hereof between the Issuer and the Swap Counterparty (together, the “**Relevant Documents**”) and (iii) the Trustee to give its consent to the Issuer to enter into the Relevant Documents, and to take all the necessary steps to give effect to the amendments contemplated by the Relevant Documents.

This deed witnesses and it is declared as follows:

1 Definitions

Unless the context otherwise requires or it is otherwise provided therein, terms used in the Master Terms Documents incorporated by reference into this Amended and Restated Issue Deed in accordance with Clause 3 below shall have the meanings given in the relevant Master Terms Document, save to the extent supplemented or modified herein. The

Schedules are part of this Amended and Restated Issue Deed and shall have effect accordingly.

2 Additional Definitions

The following expressions shall have the following meanings:

“Master Terms Documents” means the Master Trust Terms, the Master Agency Terms, the Master Purchase Terms, the Master Swap Terms and the Master Terms and Conditions, all dated 30 November 2007 and the Programme Proposal Agreement dated 26 November 2007.

“Mortgaged Property” means the Securities, the Agency Agreement, the Swap Agreement and the other assets and contractual rights in respect of the agreements from time to time charged or otherwise secured in the manner set out in Clause 5 of the Master Trust Terms (Version dated 30 November 2007), as incorporated by reference into this Amended and Restated Issue Deed.

3 Effect of this Amended and Restated Issue Deed and Incorporation by Reference of Master Terms Documents

- 3.1** Each of the parties has executed and delivered this Amended and Restated Issue Deed for the purpose of constituting and securing the Notes and/or entering into an agreement with one or more of the other parties, in each case as specified below.
- 3.2** The Issuer, the Trustee and the Swap Counterparty have executed this Amended and Restated Issue Deed for the purposes of entering into a Trust Deed constituting and securing the Notes on the terms of the Master Trust Terms (Version dated 30 November 2007) and the Master Terms and Conditions (Version dated 30 November 2007), which shall have effect as though they were set out in full herein, in each case modified and supplemented to the extent (if any) specified below and (in the case of the Master Terms and Conditions) as supplemented by the additional Terms of the Notes set out in Schedule 1 hereto (the **“Terms”**).
- 3.3** The Issuer and the Swap Counterparty have executed this Amended and Restated Issue Deed for the purpose of entering into a Master Swap Agreement in relation to the Notes on the terms of the Master Swap Terms (Version dated 30 November 2007), which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified below. The Issuer and the Swap Counterparty have also executed a swap confirmation (the **“Total Return Swap Confirmation”**) under the Master Swap Agreement relating to the Notes with an effective date of 30 November 2007 (as amended and restated on 1 November 2016) between the Issuer and the Swap Counterparty (the Total Return Swap Confirmation together with the Master Swap Agreement, the **“Swap Agreement”**).
- 3.4** The Issuer, the Agents and the Trustee have executed this Amended and Restated Issue Deed for the purpose of entering into an Agency Agreement in relation to the Notes on the terms of the Master Agency Terms (Version dated 30 November 2007), which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified below.
- 3.5** The Issuer and the Purchaser have executed this Amended and Restated Issue Deed for the purpose of entering into a Purchase Agreement in relation to the Notes on the terms of

the Master Purchase Terms (Version dated 30 November 2007), which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified below.

4 Trustee Consent and BNY Mellon Acknowledgement

- 4.1** By execution of this Amended and Restated Issue Deed, the Trustee, upon direction by the holders of 100 per cent. of the outstanding principal amount of the Notes, hereby gives its consent to the Issuer to enter into the Relevant Documents and to take all the necessary steps to give effect to the amendments contemplated by the Relevant Documents.
- 4.2** By execution of this Amended and Restated Issue Deed, the Issuer directs BNY Mellon to enter into this Amended and Restated Issue Deed for the purpose of acknowledging the amendments contemplated by the Relevant Documents.

5 Amendments

- 5.1** Except as otherwise provided in this Amended and Restated Issue Deed or in any of the documents incorporated by reference into this Amended and Restated Issue Deed in accordance with Clause 3 above, each of the documents deemed to have been entered into pursuant to Clause 3 above may be modified or amended without the consent or agreement of any party hereto which is not deemed to have entered into such document in accordance with Clause 3 above.

5.2 Amendments to the Master Trust Terms (Version dated 30 November 2007)

The following paragraph shall be deemed to be added to the end of Clause 5.2:

“The Trustee shall be deemed to release the security over the securities and the cash from time to time constituting the Securities (or the relevant part thereof, including any amounts held by the Custodian and/or the Deposit Bank in the Deposit Account) to the extent required, *inter alia*, to make payments by the Issuer to Noteholders in respect of principal or interest in accordance with the Conditions of the Notes and/or to the Swap Counterparty in accordance with the terms of the Swap Agreement.”.

5.3 Amendments to the Master Swap Terms (Version dated 30 November 2007)

- (1) The following shall be an additional paragraph under clause (a) in Part 2:

“For the purposes of Section 3(e) of this Agreement, Party A makes the following representation:

For United Kingdom tax purposes: (i) it is a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a United Kingdom permanent establishment, and accordingly is subject to United Kingdom corporation tax in respect of the profits of such trade carried on in the United Kingdom through a United Kingdom permanent establishment (including, without limitation, in relation to profits derived from sources outside of the United Kingdom); (ii) any payments made or received by it under this Agreement will be made or received for the purposes of such United Kingdom trade carried on through a United Kingdom permanent establishment whose profits are so subject to United Kingdom corporation tax; and (iii) in calculating the profits of its trade in the United Kingdom through a United Kingdom permanent establishment which are so subject to United Kingdom corporation tax, it is not entitled to any deduction or

exemption the amount of which falls to be calculated by reference to the amounts received by it from Party B under this Agreement.”

- (2) The following shall be an additional Clause (q) in Part 5:

“Optional Novation of the Swap Agreement: If an Event of Default occurs with respect to Party A, Party A, in its sole and absolute discretion, may elect to novate at its expense all (and not some only) of its obligations under the Swap Agreement to any other entity acceptable to the Trustee and having a long-term credit rating not lower than “Aa3” by Moody’s and AA- by S&P no later than the date falling 25 Business Days after the occurrence of such Event of Default (the **“Optional Novation”** and the date of such novation, the **“Optional Novation Date”**) by giving not less than 5 Business Days’ prior notice to Party B, the Issuing and Paying Agent and the Noteholders and not less than 10 Business Days’ prior notice to the Trustee (in the case of the Noteholders such notice being given in accordance with Condition 15). Notwithstanding anything to the contrary in the Agreement, if an Optional Novation is exercised by Party A (i) Party B shall have no right to designate an Early Termination Date under Section 6(a) of the Agreement and (ii) no Early Termination Date shall occur under Section 6(c) of the Agreement.”

5.4 Amendment to the Master Agency Terms (Version dated 30 November 2007)

- (1) The following wording shall be deemed to be added at the end of Clause 2.1:

“If on any date on which any of the Notes remain outstanding, the short term credit rating of the Issuing and Paying Agent falls below “A-1” by S&P or “P-1” by Moody’s (such event, an **“Agent Ratings Downgrade”**), the Issuing and Paying Agent shall no later than 30 days after the occurrence of such Agent Ratings Downgrade novate, at the expense of the Issuing and Paying Agent, all (and not some only) of its obligations to the Issuer under this Agreement to any other entity with a short term credit rating not lower than “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.”

- (2) The following wording shall be deemed to be added at the end of Clause 2.4:

“If, at any time when the Notes remain outstanding, the short term credit rating of the Custodian falls below “A-1” by S&P or “P-1” by Moody’s (a **“Custodian Rating Downgrade”**) then no later than 30 calendar days after the occurrence of such Custodian Rating Downgrade the Custodian shall novate at the expense of the Custodian all (and not some only) of its rights and obligations under the Agency Agreement to any other entity with a short term credit rating not lower than “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.”

- (3) The following wording shall be deemed to be added at the end of Clause 2.10:

“If on any date on which there are funds standing to the credit of the Deposit Account, the short term credit rating of the Deposit Bank falls below “A-1” by S&P or “P-1” by Moody’s (a **“Deposit Bank Ratings Downgrade”**) then no later than 30 calendar days after the occurrence of such Deposit Bank Ratings Downgrade novate at the expense of the Deposit Bank all (and not some only) of its rights and obligations relating to the Deposit Account to any other entity with a short term credit rating not lower “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.”

- (4) Clause 17 shall be amended by the insertion of the following new Clause 17.4:

“Agent Ratings Downgrade Expenses

The Swap Counterparty shall pay to the Issuing and Paying Agent any fees, costs or other expenses (howsoever described) payable by the Issuing and Paying Agent in relation to the occurrence of an Agent Ratings Downgrade pursuant to Clause 2.11 above.”

5.5 Custodian Amendments and Deposit Bank Amendments

- 5.5.1** Each reference in respect of the Terms of the Notes to “A-1+” (the “**Original Rating Trigger Level**”) shall be replaced, respectively, by “A-1” (the “**New Rating Trigger Level**”) insofar as any such Original Rating Trigger Level relates to the Custodian and/or Deposit Bank (or would relate but for the operation of the Custodian and Deposit Bank Supplemental Issue Deed); and
- 5.5.2** Each reference within the Agency Agreement to an Original Rating Trigger Level shall be replaced by the appropriate New Rating Trigger Level insofar as any such Original Rating Trigger Level relates to the Custodian, to the extent applicable (or would relate but for the operation of the Custodian and Deposit Bank Supplemental Issue Deed); and/or
- 5.5.3** Each reference within the Agency Agreement to an Original Rating Trigger Level shall be replaced by the appropriate New Rating Trigger Level insofar as any such Original Rating Trigger Level relates to the Deposit Bank, to the extent applicable (or would relate but for the operation of the Custodian and Deposit Bank Supplemental Issue Deed).

5.6 Agent Amendments

- 5.6.1** Each reference in respect of the Terms of the Notes to “A-1+” (an “**Original Rating Trigger Level**”) shall be replaced, respectively, by “A-1” (a “**New Rating Trigger Level**”) insofar as any such Original Rating Trigger Level relates to the Issuing and Paying Agent (or would relate but for the operation of the Agent Supplemental Issue Deed); and
- 5.6.2** Each reference within the Agency Agreement to an Original Rating Trigger Level shall be replaced by the appropriate New Rating Trigger Level insofar as any such Original Rating Trigger Level relates to the Issuing and Paying Agent (or would relate but for the operation of the Agent Supplemental Issue Deed).

6 Amount and Status of Notes

- 6.1 Amount:** The aggregate nominal amount of the Notes is limited to GBP 310,000,000.
- 6.2 Status:** The Notes constitute secured and limited recourse obligations of the Issuer, secured as provided in Clause 5 of the Master Trust Terms (Version dated 30 November 2007).

7 Form of the Notes

The Notes will be Bearer Notes initially represented by the Temporary Global Note substantially in the form set out in Schedule 1 Part A to the Master Trust Terms (Version dated 30 November 2007), exchangeable for a Permanent Global Note in the form set out

in Schedule 1 Part B to the Master Trust Terms (Version dated 30 November 2007). The Permanent Global Note will only be exchangeable for Definitive Notes in the circumstances set out therein.

8 Notice and Acknowledgement of Assignment

- 8.1** The Issuer gives notice and each of the Agents party hereto and the Swap Counterparty acknowledges that it has notice of the assignment by way of security by the Issuer of all of its rights, title and interest under the Agency Agreement and the Swap Agreement and of the Security created pursuant to this Amended and Restated Issue Deed and consents to any further assignment by way of security by the Issuer of such rights, title and interest to any successor Trustee under this Amended and Restated Issue Deed.

9 Communications

Each party designates as its fax number, telephone number and address for the receipt of any communication relating to the Notes or any of the documents incorporated by reference into this Amended and Restated Issue Deed in accordance with Clause 3 above, the respective fax number, telephone number and address set out beneath such party's name on the execution pages of this Amended and Restated Issue Deed.

10 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Amended and Restated Issue Deed or any agreement entered into on terms set out in and/or incorporated by reference into this Amended and Restated Issue Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Amended and Restated Issue Deed or, as the case may be, any such agreement, but this does not affect any right or remedy of a third party that exists or is available apart from that Act.

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Notes, but this does not affect any right or remedy of a third party that exists or is available apart from that Act.

11 Governing Law and Jurisdiction

- 11.1 Governing Law:** This Amended and Restated Issue Deed and each agreement entered into on terms set out in and/or incorporated by reference into this Amended and Restated Issue Deed shall be governed by and construed in accordance with English law.
- 11.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Amended and Restated Issue Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with this Amended and Restated Issue Deed, each agreement entered into on terms set out in and/or incorporated by reference into this Amended and Restated Issue Deed, the Notes or the Coupons (the "**Proceedings**") may be brought in such courts. Each of the Issuer and the Paying Agent irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the other parties hereto and the holders of the Notes and Coupons and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more

jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

11.3 Service of Process: Each of the Issuer and the Paying Agent irrevocably appoints Deutsche Bank AG, acting through its London branch presently of Winchester House, 1 Great Winchester Street, London EC2N 2DB as its agent to receive, for its and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Paying Agent). If for any reason such process agent ceases to be able to act as such or no longer has an address in England each of the Issuer and the Paying Agent irrevocably agrees to appoint a substitute process agent acceptable to the Trustee, and to deliver to the Trustee a copy of the new agent's acceptance of appointment, within 30 days. Nothing shall affect the right to serve process in any other manner permitted by law.

This amended and restated deed is delivered the day and year first before written

The Issuer

Given under the COMMON SEAL of:

LAGOON FINANCE DAC

Director:

Director/Secretary:

Address: 6th Floor
Pinnacle 2
Eastpoint Business Park
Dublin 3
Ireland

Telephone no: +353 1 680 6000

Fax no: +353 1 680 6050

Attention: The Directors

The Trustee

Executed as a Deed by affixing the COMMON SEAL of

DEUTSCHE TRUSTEE COMPANY LIMITED

in the presence of:

Authorised Signatory:

Authorised Signatory:

Address: Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

Telephone no: +44 20 7545 8000

Fax no: +44 20 7547 0916

Attention: Trust & Securities Services, The Managing Director

The Purchaser, the Swap Counterparty and the Calculation Agent

Executed as a Deed

DEUTSCHE BANK AG, ACTING THROUGH ITS LONDON BRANCH

By:

By:

Address: Winchester House
1 Great Winchester Street
London EC2N 2DB

Telephone no: +44 20 7545 8000

Fax no: +44 20 7545 8207

Attention: Legal Department – Global Markets

The Custodian and the Deposit Bank

Executed as a Deed

THE BANK OF NEW YORK MELLON, LONDON BRANCH

Acting by its duly authorised signatory:

By:

Address: One Canada Square
London
E14 5AL
United Kingdom

Fax no: 44 (0) 20 7964 2531

Attention: Corporate Trust Services/Lagoon Finance DAC series 1

The Issuing and Paying Agent

Executed as a Deed

THE BANK OF NEW YORK MELLON, LONDON BRANCH

Acting by its duly authorised signatory:

By:

Address: One Canada Square
London
E14 5AL
United Kingdom

Fax no: +44 207 964 2532 (with a copy to +44 1202 689660)

Attention: Corporate Trust Administration/ Lagoon Finance DAC
series 1

The Paying Agent

Given under the COMMON SEAL of:

DEUTSCHE INTERNATIONAL CORPORATE SERVICES (IRELAND) LIMITED

Director:

Director/Secretary/Authorised Signatory:

Address: 6th Floor
Pinnacle 2
Eastpoint Business Park Dublin 3
Ireland

Telephone no: +353 1 680 6000

Fax no: +353 1 680 6050

Attention: The Directors

Schedule 1

Terms dated 30 November 2007
as amended and restated on 23 November 2010 and 25 January 2011, as amended on 26
August 2014 and 16 December 2015, and as further amended and restated on 1 November
2016

LAGOON FINANCE DAC

Issue of GBP 310,000,000

**Floating Rate Secured Notes due 2017
under its USD 10,000,000,000
Secured Note Programme**

The Notes designated above shall have the following terms (the “**Terms**”) which shall complete, modify and amend the Master Terms and Conditions (Version dated 30 November 2007) which are set out in the Amended and Restated Issue Deed dated 1 November 2016 relating to the Notes:

1	Issuer:	Lagoon Finance DAC.
	Arranger:	Deutsche Bank AG, acting through its London branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB.
2	(i) Series:	1
	(ii) Tranche Number:	Not applicable.
3	Specified Currency or Currencies:	British Pounds (“ GBP ”).
4	Aggregate Nominal Amount of Notes to be admitted to trading:	
	(i) Series:	GBP 310,000,000
	(ii) Tranche:	Not applicable
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6	Specified Denominations:	GBP 500,000.
7	(i) Issue Date:	30 November 2007.
	(ii) Interest Commencement Date:	30 November 2007.
8	Maturity Date:	20 December 2017.
9	Interest Basis:	GBP-LIBOR-BBA plus 1.69 per cent. per annum Floating Rate (further particulars specified below)
10	Redemption/Payment Basis:	See paragraph 24 below

11	Change of Interest or Redemption/Payment Basis:	Not applicable
12	Put/Call Options:	Not applicable
13	(i) Status of the Notes:	Secured limited recourse obligations of the Issuer, secured as provided below
	(ii) Date on which Board approval for issuance of Notes obtained:	30 November 2007
14	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Provisions:	Not Applicable
16	Floating Note Provisions:	Applicable
	(i) Interest Period(s):	The first Interest Period is from (and including) the Interest Commencement Date to (but excluding) the first Interest Period Date and, thereafter, each successive Interest Period shall begin on (and include) an Interest Period Date and end on (but exclude) the next succeeding Interest Period Date.
	(ii) Interest Period Dates:	20 March, 20 June, 20 September and 20 December in each year, commencing on 20 March 2008, and the final Interest Period Date will be the Maturity Date, each subject to adjustment in accordance with the Business Day Convention.
	(iii) Specified Interest Payment Date:	The interest accruing in respect of each Interest Period shall be paid on the second Business Day immediately following each Interest Period Date on which such Interest Period ends, provided that in respect of the Interest Period ending on (but excluding) the Maturity Date, the interest shall be paid on the Maturity Date.
	(iv) Business Day Convention:	Following Business Day Convention
	(v) Business Centre(s):	London and TARGET
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Calculation Agent
	(viii) Rate of Interest:	The Reference Rate plus the Margin (each as defined below).
	(ix) Screen Rate	

Determination:	
Reference Rate:	GBP-LIBOR-BBA with a Designated Maturity (as each such term is defined in the 2006 ISDA Definitions) of three months, other than with respect to the first Interest Period where the Reference Rate shall be determined by interpolation between the three month and four month rates.
Reference Banks:	Four major banks in the London interbank market.
Interest Determination Dates:	The first day of the relevant Interest Period.
Relevant Screen Page:	Reuters Screen Page LIBOR01 (as defined in the 2006 ISDA Definitions).
(x) ISDA Determination:	Not applicable
(xi) Margin(s):	1.69 per cent. per annum
(xii) Minimum Rate of Interest:	Not applicable
(xiii) Maximum Rate of Interest:	Not applicable
(xiv) Day Count Fraction:	Actual/365
(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	<p>(A) Interest Amount</p> <p>Subject as provided below, the Interest Amount payable on each Note in respect of each Interest Period shall be the amount (subject to a minimum of zero) determined by the Calculation Agent to be such Note's <i>pro rata</i> share (rounded down to the nearest pence) of the product of:</p> <ul style="list-style-type: none"> (i) the outstanding principal amount of the Notes as at the relevant Interest Period Date; (ii) the Rate of Interest (as defined above) applicable to such Interest Period; and (iii) the Day Count Fraction. <p>(B) Payments pursuant to Condition 7(d)(i)</p> <p>If pursuant to Condition 7(d)(i) (as amended below) the holders of 100 per cent. of the outstanding principal amount of the Notes have elected to accept payment of net amounts in respect of the Notes, any amount otherwise due to Noteholders in accordance with this paragraph 16 (xv) shall be adjusted accordingly and the provisions of this paragraph 16(xv) shall be construed accordingly.</p>

- 17 Zero Coupon Note Provisions: Not Applicable
- 18 Index Linked Interest Note/other variable-linked interest Note Provisions: Not Applicable
- 19 Dual Currency Note Provisions: Not Applicable
- 20 Mortgaged Property:
- (i) (a) Securities: “Securities” means:

- (i) (x) cash in the amount of GBP 310,000,000 standing to the credit of the Deposit Account plus or minus (y) any cash amounts that are credited to or debited from, as the case may be, the Deposit Account in accordance with Condition 4(g) (the “**Securities Balance**”) in accordance with the provisions below; and/or
- (ii) one or more Eligible Securities (as defined below) (the “**Bond Securities**”) that may be selected by the Swap Counterparty in accordance with Condition 4(g) (as amended below).

The aggregate nominal amount of the Bond Securities (converted where necessary into GBP at the Relevant FX Rate) issued by the same issuer shall not exceed GBP 50,000,000.

The Custodian shall maintain the Deposit Account with the Deposit Bank (as defined below) on the terms that the amount standing to the credit of the Deposit Account shall earn the rate of interest prevailing from time to time on deposits with such terms as shall be selected in the absolute discretion of the Custodian.

The Amended and Restated Issue Deed in respect of the Notes, dated 1 November 2016, provides that the Trustee will be deemed to release the security over the Securities (or the relevant part thereof) to the extent required, inter alia, to make payments by the Issuer to Noteholders or Couponholders in respect of principal or interest in accordance with the Conditions of the Notes and/or to the Swap Counterparty in accordance with the terms of the Swap Agreement.

The Amended and Restated Issue Deed provides that the Trustee will be deemed to release from the security created by the Amended and Restated Issue Deed over the Securities (or, as the case may be, a proportion of the Securities) (i) if any Notes are to be purchased by the Issuer pursuant to Condition 7(i), to enable the Securities (or the relevant part thereof) to be delivered

and/or paid in accordance with Condition 7(i); or (ii) to the extent that such Securities are to be delivered to the Swap Counterparty in accordance with Condition 4(g).

(b) Substitution:

Applicable.

Condition 4(g) shall be deleted in its entirety and replaced with the following:

(i) At any time from and including 1 January 2008 to but excluding the Maturity Date, the Swap Counterparty may, by notice (which may be by email or telephone) to the Trustee, require that any cash or Bond Securities (the "**Replaced Securities**") then forming part of the Securities be replaced (a "**Replacement**" and each date on which such Replacement occurs, a "**Replacement Date**") by securities or other assets ("**Replacement Securities**") provided however that:

(a) upon any release of the Replaced Securities from the Security created by or pursuant to the Trust Deed, any such Replacement Securities are delivered, transferred or assigned to the Issuer and are subject to the Security created by or pursuant to the Trust Deed; and

(b) the Replacement Securities are comprised of Eligible Securities.

The nominal amount of Replacement Securities shall be an amount equal (converted when necessary into GBP at the Relevant FX Rate) to the Replaced Securities Amount, provided that where it is not possible to purchase whole multiples of the available denominations of the Replacement Securities with the Replaced Securities Amount, the nominal amount of the Replacement Securities shall be an amount equal to the next lower whole denomination of the Replacement Securities and any excess cash amount (the "**Excess Amount**") following such purchase shall be credited to the Deposit Account.

"**Eligible Securities**" means transferable securities rated Aaa by Moody's or AAA by S&P.

"**GBP Equivalent**" means, in respect of Bond Securities denominated in a currency other than GBP, the nominal amount of such Bond Securities converted into GBP at the Relevant FX Rate.

"**Replaced Securities Amount**" means the GBP Equivalent of the nominal amount of the Replaced Securities.

"**Relevant FX Rate**" means the spot currency exchange

rate between GBP and the currency in which the relevant Bond Securities are denominated, as determined by the Swap Counterparty on the Maturity Date.

The Swap Counterparty shall deliver the Replacement Securities and pay any relevant Excess Amount to the Issuer in exchange for payment or delivery by the Issuer to the Swap Counterparty of the relevant Replaced Securities. The Trustee shall not be liable to the Issuer, the Noteholders or any other person and the Issuer shall not be liable to the Trustee, the Swap Counterparty or the Noteholders, in each case for any loss arising from any arrangement referred to in the Replacement Notice or otherwise from the operation of this Condition 4(g)(i).

(ii) If (1) any of the Bond Securities (A) becomes payable or repayable or becomes capable of being declared due and repayable prior to their stated date of maturity for whatever reason or (B) ceases to have a rating of at least Baa3 by Moody's Investors Service, Inc. ("**Moody's**") or at least BBB by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") or (2) there is a payment default in respect of any of the Bond Securities (in each case, the "**Defaulted Securities**"), all such Defaulted Securities shall be delivered as soon as reasonably practicable by the Custodian on behalf of the Issuer to the Swap Counterparty (a "**Defaulted Securities Delivery**") and each date on which such Defaulted Securities Delivery occurs, a "**Defaulted Securities Delivery Date**") in exchange for the payment by the Swap Counterparty to the Issuer of the relevant Defaulted Securities Amount. Any Defaulted Securities Amount shall be credited to the Deposit Account and shall be subject to the Security created by or pursuant to the Trust Deed.

"Defaulted Securities Amount" means the GBP Equivalent of the nominal amount of the Defaulted Securities.

All rights of Replacement under this Condition 4(g) shall cease immediately upon the Security constituted by the Trust Deed becoming enforceable, whether in whole or in part."

(ii) Security (order of priorities):

The Trustee shall apply all moneys received by it under the Trust Instrument in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed in the following order of priorities:

Swap Counterparty Priority.

- | | | |
|-------|---------------------------------|--|
| (iii) | Contract (if applicable): | Not applicable. |
| (iv) | Beneficiary(ies): | Not applicable. |
| (v) | Securities Agreement: | Not applicable. |
| (vi) | Counterparties: | Not applicable. |
| (vii) | Swap Agreement (if applicable): | The Total Return Swap (as such term is defined below). |

Under an ISDA Master Agreement which the Issuer and the Swap Counterparty have entered into by executing the Amended and Restated Issue Deed (the “**ISDA Master Agreement**”), as supplemented by a confirmation thereto with an effective date of the Issue Date and as amended and restated on 1 November 2016 (the “**TRS Confirmation**”) (the ISDA Master Agreement as so supplemented by the TRS Confirmation, the “**Total Return Swap**”):

- (i) the Issuer will on the Issue Date pay to the Swap Counterparty the amount of GBP 310,000,000 and the Swap Counterparty will pay the amount of GBP 310,000,000 to the Deposit Bank for the account of the Issuer;
- (ii) the Swap Counterparty will pay to the Issuer sums equal to the Interest Amounts determined in accordance with sub-paragraph 16(xv) above and the Issuer will pay to the Swap Counterparty sums equal to each amount of interest payable in respect of (a) any amount standing to the credit of the Deposit Account (if any), such payments to be made by or on behalf of the Issuer from payments received on the amount standing to the credit of the Deposit Account and/or (b) the Bond Securities held by or on behalf of Party B on or after the Effective Date (in accordance with the terms and conditions of the relevant Bond Securities);
- (iii) the Swap Counterparty will on each Replacement Date (as defined in sub-paragraph 20(i)(b) above), if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, deliver the relevant Replacement Securities (as defined in sub-paragraph 20(i)(b) above) with full title guarantee to the Custodian for the account of the Issuer and, where relevant, pay an amount in GBP equal to any Excess Amount (as

defined in sub-paragraph 20(i)(b) above) into the Deposit Account.

The Issuer will on each Replacement Date, if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, pay or deliver to the Swap Counterparty the relevant Replaced Securities (as defined in sub-paragraph 20(i)(b) above);

- (iv) the Issuer will deliver to the Swap Counterparty on each Defaulted Securities Delivery Date, if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, the relevant Defaulted Securities (as defined in sub-paragraph 20(i)(b) above).

The Swap Counterparty will pay to the Issuer on each Defaulted Securities Delivery Date (as defined in sub-paragraph 20(i)(b) above), if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, an amount in GBP equal to the Defaulted Securities Amount (as defined in sub-paragraph 20(i)(b));

- (v) if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, the Issuer will (a) pay to the Swap Counterparty on or before the Maturity Date the balance then standing to the credit of the Deposit Account (if any) and (b) deliver to the Swap Counterparty all outstanding Bond Securities.

The Swap Counterparty will pay to the Issuer on or before the Maturity Date, if or to the extent that the Total Return Swap shall not on or before such date have terminated in accordance with its terms, the outstanding principal amount of the Notes on such date;

- (vi) subject as provided below and subject to sub-paragraphs (vii) and (viii) below, if for any reason the Notes become subject to redemption (in whole) under Condition 7(d) (as amended) or Condition 10, the Total Return Swap will be terminated in accordance with its terms and a termination payment may be payable by one party to the other reflecting the total losses and costs (or gain, in which case expressed as a

negative number) of the other party in connection with the Total Return Swap.

In addition, the Swap Counterparty will pay to the Issuer on the relevant Mandatory Redemption Date a sum equal to the aggregate of (i) the outstanding principal amount of the Notes, (ii) any interest due thereon, and (iii) any amount owing to any person which is secured on the Mortgaged Property in priority to the Notes, and the Issuer will (a) pay the Securities Balance to the Swap Counterparty and (b) deliver any Bond Securities then held by or on behalf of the Issuer to the Swap Counterparty. Notwithstanding the foregoing, where the Notes become due for redemption in accordance with Condition 7(d) following the termination of the Swap Agreement in circumstances where the Swap Counterparty is the Defaulting Party, this Transaction shall terminate and no further payment shall be due from either party (including any termination payment under Section 6(e) of the Agreement);

- (vii) the Issuer has in the Total Return Swap agreed to purchase from the Swap Counterparty such Notes as are held by the Swap Counterparty, as required by the Swap Counterparty from time to time, provided that the Issuer will have received an amount sufficient to fund the purchase price payable by the Issuer. Upon such purchase and the payment of the purchase price, the obligations of the Issuer and the Swap Counterparty will be terminated in whole or, in the case of a purchase of part only of the Notes, reduced *pro rata*; and
- (viii) except as specified above and in certain other circumstances specified therein, the Total Return Swap will terminate on the Maturity Date of the Notes.

Swap Counterparty:

Deutsche Bank AG, acting through its London branch. In its capacity as Swap Counterparty, Deutsche Bank AG, acting through its London branch is also designated as the calculation agent (the “**Swap Calculation Agent**”) for the purpose of the Total Return Swap. Any determination by the Swap Calculation Agent shall be made in its sole and absolute discretion and shall be conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agents and all other persons and no

liability shall attach to the Swap Calculation Agent in respect thereof.

	Swap Guarantor (if applicable):	None
	(viii) Details of Credit Support Document (if applicable):	Not applicable
	(ix) Credit Support Provider:	Not applicable
21	Realisation of Security	Holder Request/Extraordinary Resolution Direction /Creditor Direction

PROVISIONS RELATING TO REDEMPTION

22	Call Option:	Not applicable
23	Noteholder Option:	Not applicable
24	Final Redemption Amount of each Note:	Unless previously redeemed or purchased as specified herein or in the Conditions, the Final Redemption Amount on the Maturity Date for each Note shall be, subject to paragraph 25 below, an amount in GBP (as determined by the Calculation Agent in its sole and absolute discretion) equal to such Note's <i>pro rata</i> share of the outstanding principal amount of the Notes on the Maturity Date.

25	Early Redemption:	
	Purchases:	(A) Condition 7(i) (Purchases) will apply to the Notes.
	Mandatory Redemption:	(B) The Notes will be subject to mandatory redemption (in whole) under Condition 7(d) (as amended), for which purpose the Repayable Assets will be all of the Securities.

Condition 7(c) shall not apply to the Notes. Instead, if any of the Securities becomes payable or repayable or becomes capable of being declared due and repayable prior to their stated date of maturity for whatever reason or there is a payment default in respect of any of the Securities, all such Securities shall be delivered to the Swap Counterparty under the terms of the Total Return Swap in accordance with the provisions of Condition 4(g).

The Notes shall be redeemed pursuant to Condition 7(d) (as amended) at the date fixed for redemption in the relevant notice (in each case the "**Mandatory Redemption Date**").

Subject as provided below, the Early Redemption Amount for the purposes of any

redemption of the Notes pursuant to Condition 7(d) (as amended) and Condition 10 shall be its *pro rata* share of:

- (i) the outstanding principal amount of the Notes; less
- (ii) the Early Redemption Unwind Costs.

The Early Redemption Amount for the purposes of any redemption of Notes pursuant to Condition 7(d) (as amended) following the termination of the Total Return Swap in circumstances where the Swap Counterparty is the Defaulting Party shall be its *pro rata* share of:

- (i) the proceeds of realisation of the Securities; less
- (ii) any legal or other ancillary costs (expressed as a positive number) determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, incurred by the Issuer, the Trustee or the Swap Counterparty as a result of the occurrence of such early redemption.

Payment in accordance with the provisions of this paragraph shall constitute full and final satisfaction of all of the Issuer's obligations to make any payment of principal in respect of the principal amount of the Notes so to be redeemed or the relevant part thereof and of any interest accruing in respect of such principal amount at any time after the first day of the Interest Period during which the Notes become subject to mandatory redemption, and the outstanding principal amount of each Note shall be deemed to be reduced to zero.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	Bearer Notes. Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
27	Financial Centre(s) or other special provisions relating to payment dates:	London and TARGET Settlement Days
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No

29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not applicable
30	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not applicable
31	Agents and Trustee: Custodian:	<p>The Custodian in respect of the Securities will be The Bank of New York Mellon, London Branch or any other person subsequently appointed as Custodian pursuant to the Agency Agreement subject to approval by the Trustee on behalf of the Noteholders.</p> <p>If, at any time when the Notes remain outstanding, the short term credit rating of the Custodian falls below “A-1” by S&P or “P-1” by Moody’s (a “Custodian Rating Downgrade”) then no later than 30 calendar days after the occurrence of such Custodian Rating Downgrade the Custodian shall novate at the expense of the Custodian all (and not some only) of its rights and obligations under the Agency Agreement to any other entity with a short term credit rating not lower than “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.</p>
	Deposit Bank:	<p>The Bank of New York Mellon, London Branch (the “Deposit Bank”) or any other person subsequently appointed as Deposit Bank pursuant to the Agency Agreement subject to approval by the Trustee on behalf of the Noteholders. Securities in the form of cash will be delivered to the Deposit Bank by the Swap Counterparty pursuant to the Total Return Swap on the Issue Date and credited to an account in favour of the Issuer (the “Deposit Account”) on the Issue Date, subject to the security created by and pursuant to the Amended and Restated Issue Deed.</p> <p>If on any date on which there are funds standing to the credit of the Deposit Account, the short term credit rating falls below “A-1” by S&P or “P-1” by Moody’s (a “Deposit Bank Ratings Downgrade”) then no later</p>

than 30 calendar days after the occurrence of such Deposit Bank Ratings Downgrade novate at the expense of the Deposit Bank all (and not some only) of its rights and obligations relating to the Deposit Account to any other entity with a short term credit rating not lower than “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.

Agent for Service of Process: Deutsche Bank AG, acting through its London branch at its registered office for the time being (currently at Winchester House, 1 Great Winchester Street, London EC2N 2DB).

Trustee: Deutsche Trustee Company Limited.

Registrar and Transfer Agent: Not applicable

Issuing and Paying Agent: The Bank of New York Mellon, London Branch or any other person subsequently appointed as Agent pursuant to the Agency Agreement, subject to approval of the Trustee on behalf of the Noteholders.

If on any date on which any of the Notes remain outstanding, the short term credit rating of the Issuing and Paying Agent falls below “A-1” by S&P or “P-1” by Moody’s (such event, an “**Agent Ratings Downgrade**”), the Issuing and Paying Agent shall no later than 30 days after the occurrence of such Agent Ratings Downgrade novate, at the expense of the Issuing and Paying Agent, all (and not some only) of its obligations to the Issuer under this Agreement to any other entity with a short term credit rating not lower than “A-1” by S&P or “P-1” by Moody’s and give a notice of such novation to the Noteholders in accordance with Condition 15.

32 Amendments to Master Terms and Conditions (Version dated 30 November 2007): Condition 7(d)(i) shall be amended by adding the following after the words “in respect of the Notes” in the final line thereof: “and provided that the holders of 100 per cent. of the outstanding principal amount of the Notes have not elected to accept all future such payments net of any such amounts due”.

33 Other final terms:

Rounding: In calculating any amount payable on redemption of any Note (in whole or in part), all amounts shall be rounded down to the nearest pence.

Additional Definitions: “**Early Redemption Unwind Costs**” means, the sum of the following amounts (in each case as determined by the Calculation Agent in a commercially reasonable manner):

- (a) the amount (if any) payable by either (i) the Issuer to the Swap Counterparty (expressed as a positive number) or (ii) the Swap Counterparty to the Issuer (expressed as a negative number) on termination of the Total Return Swap as a result of an early redemption of the Notes (as determined by the Calculation Agent in a commercially reasonable manner); and
- (b) any legal or other ancillary costs (expressed as a positive number) determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, incurred by the Issuer, the Trustee or the Swap Counterparty as a result of the occurrence of such early redemption.

DISTRIBUTION

34	(i) If syndicated, names of Managers:	Not applicable
	(ii) Stabilising Manager(s) (if any):	Not applicable
35	If non-syndicated, name of Purchaser:	Deutsche Bank AG, acting through its London branch
36	Additional selling restriction:	Not applicable
37	Minimum Holding Amount:	Not applicable

OTHER INFORMATION

1 LISTING

- | | | |
|-------|---|---|
| (i) | Listing: | Ireland |
| (ii) | Admission to trading: | The Notes have been admitted to trading on the Regulated Market of the Irish Stock Exchange |
| (iii) | Estimate of total expenses related to admission to trading: | All such expenses are to be met by the Purchaser |

2 RATINGS

- | | |
|---------------------------|----------------|
| Relevant Rating Agencies: | Not applicable |
| Ratings: | Not applicable |

3 OPERATIONAL INFORMATION

- | | |
|--|--------------------------|
| ISIN: | XS0333865839 |
| CUSIP | 033386583 |
| Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s): | Not applicable |
| Delivery: | Delivery free of payment |
| Names and addresses of additional Paying Agent(s) (if any): | Not applicable |

4 GENERAL

- | | |
|-----------------------------|---------|
| Applicable TEFRA exemption: | D Rules |
|-----------------------------|---------|